

# Future Options and Recommendations for Our Island Home and Senior Citizen Related Services

Our Island Home Work Group  
July 2013

# The Work Group met from October 2012 thru June 2013 to complete its analysis and formulate its recommendations

## Work Group Mission

- Future options and recommendations regarding OIH and associated town-operated senior citizen-related services.
- Review reports, data, documents and other information that are on hand.
- Review, discuss and make recommendations pertaining to Riverwood/Servant's (to be delivered) status report to the Board of Selectmen as to the Senior Day Care program.
- Discuss pros, cons, costs and revenues of current delivery systems of the local organizations that provide senior citizen-related services.
- Review and discuss the Town's lease with Sherburne Commons, in terms of long-term planning

## Work Group Members

- |                   |                |
|-------------------|----------------|
| • Joe Aguiar      | Jim Kelly      |
| • Rachel Chretien | Pam Meriam     |
| • Chuck Gifford   | Bruce Miller   |
| • Bruce Glass     | Mickey Rowland |
| • Phil Hubbard    | David Worth    |

Our Island Home Work Group

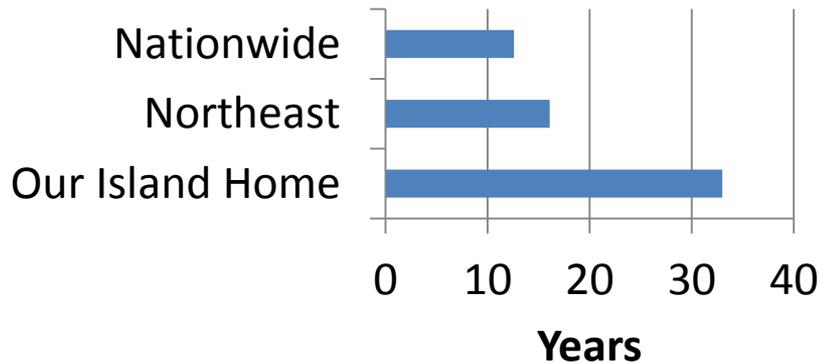
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# The status quo is not a viable long (or even short term) strategy for OIH.

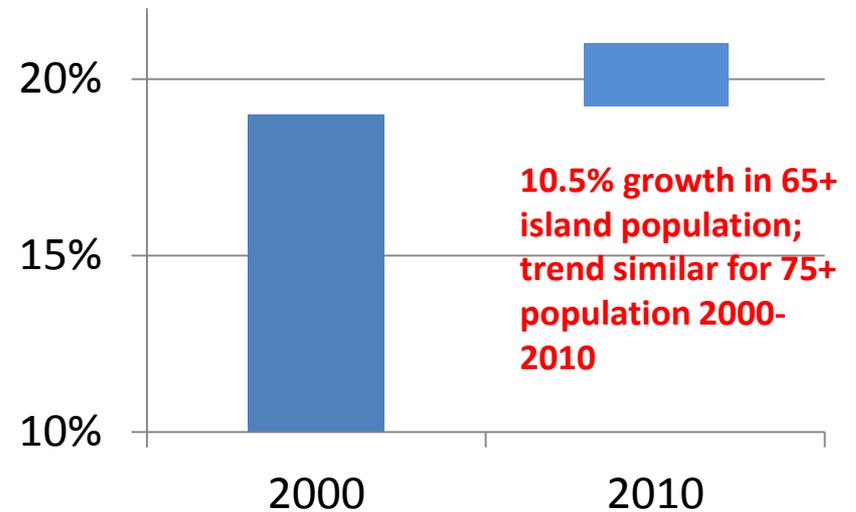
Building is outdated and in need of extensive repair; Dept. Public Health citations in 2013 over physical conditions

Demographics are inexorable. Longer life expectancies; traditional family caregivers a thing of the past

### OIH 2X Average Age of Facilities in Northeast



### % Nantucket Population 65+



Source: 27<sup>th</sup> Annual Licensed Nursing Facility Cost Comparison Larson Allen, LLP. 2010

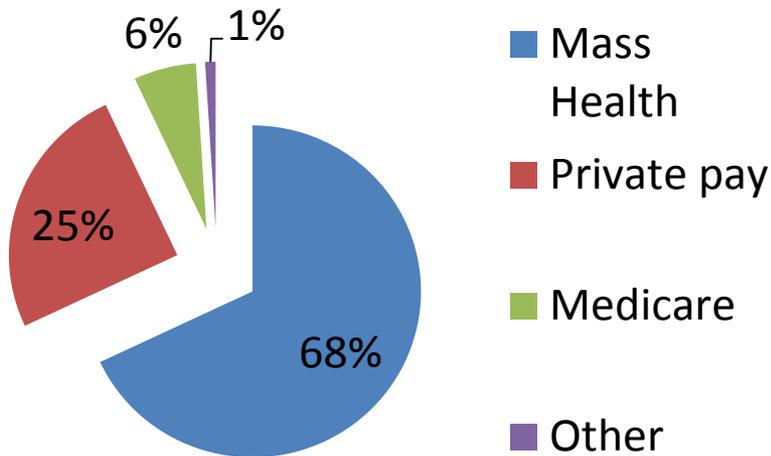
Sources: 2000 SF1 P23, P24, P25; 2010 SF1 P26 Analysis by P. Morrison

# The nature of skilled nursing care, how it is paid for, and the federal and state reimbursement structure for skilled nursing is changing

Mass Health – Medicaid is the predominate payer source for OIH putting future revenue at risk as reimbursement trends shift.

Reimbursement trend toward redirecting payments away from institutional settings like OIH and toward Home and Community Based Services which can be provided at a lower cost.

## Ave 2011-2012



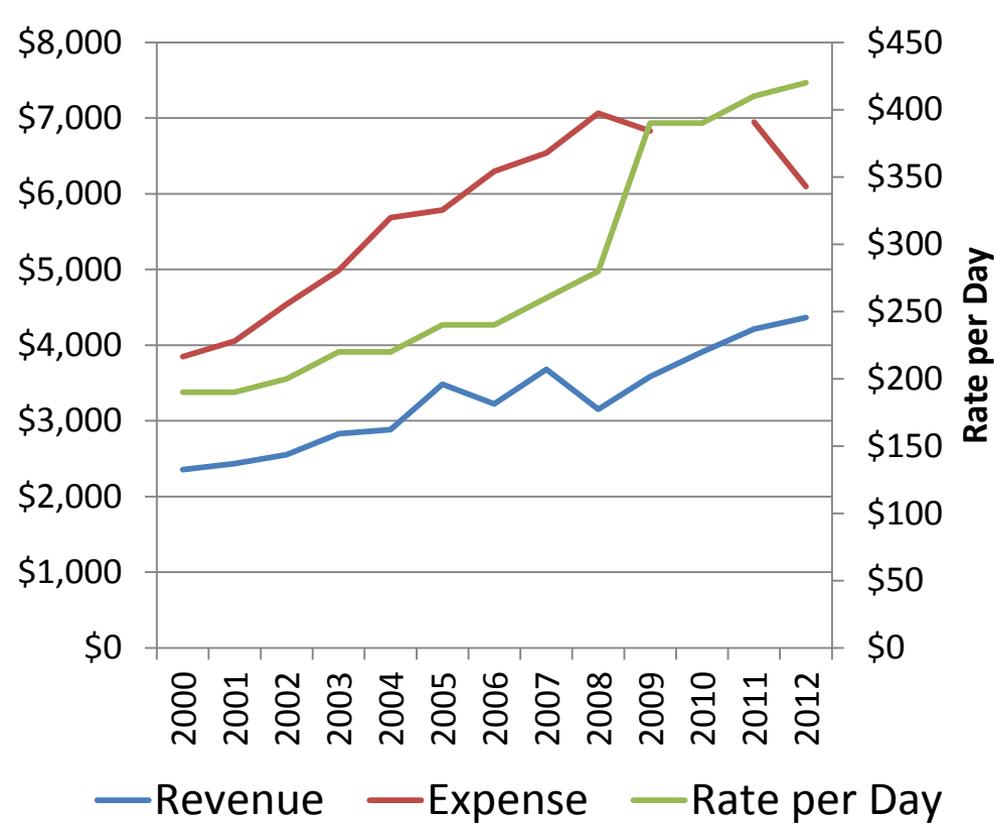
	2000	2012	Growth Rate \$
Nursing Facilities	57% of total \$	43%	28%
ICF/MR	15%	11%	1.8%
Home/Community Based	18%	33%	210%
Personal care/Home Health	10%	14%	133%

Source: OIH Operating statements. OIH WG Analysis

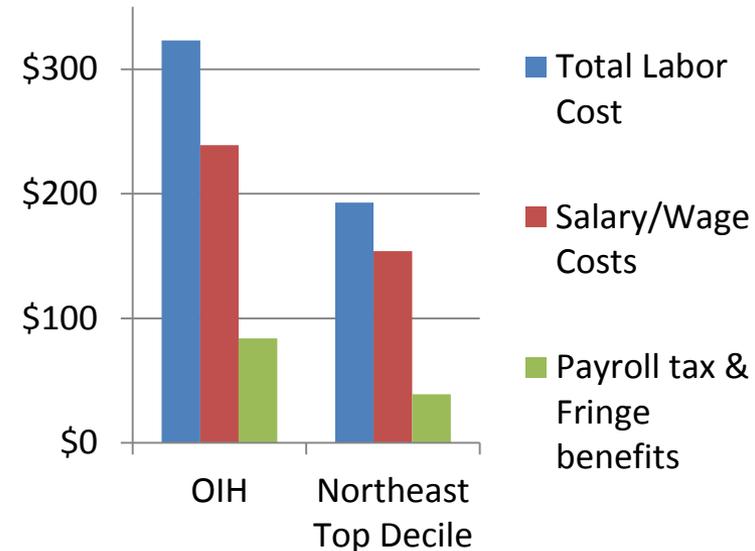
Source: CMS Medicaid Statement of Expenditures (CMS-64) 2000, CMS Medicaid Program Budget report (CMS-37) August 2010 & 2011, Annual Estimate 2012. Figures in \$ Billion

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# Revenue/Reimbursements from all sources not keeping up with operating expenses. 80% of OIH operating costs are labor related



Total labor cost at OIH is 67% higher than the top 10% of all nursing facilities in the Northeast



Source: Town of Nantucket Historical Financials Cost Report

27th Annual Licensed Nursing Facility Cost Comparison Larson Allen, LLP. 2010

The WG's conclusions have been drawn around six categories . These conclusions have gone into the formulation of our recommendations. At the core of our conclusions is the recognition that the model must change in order for Our Island Home to deliver skilled nursing care to the community in the future



**Facility**



**Reimbursements**



**People**



**Alternatives**



**Community**

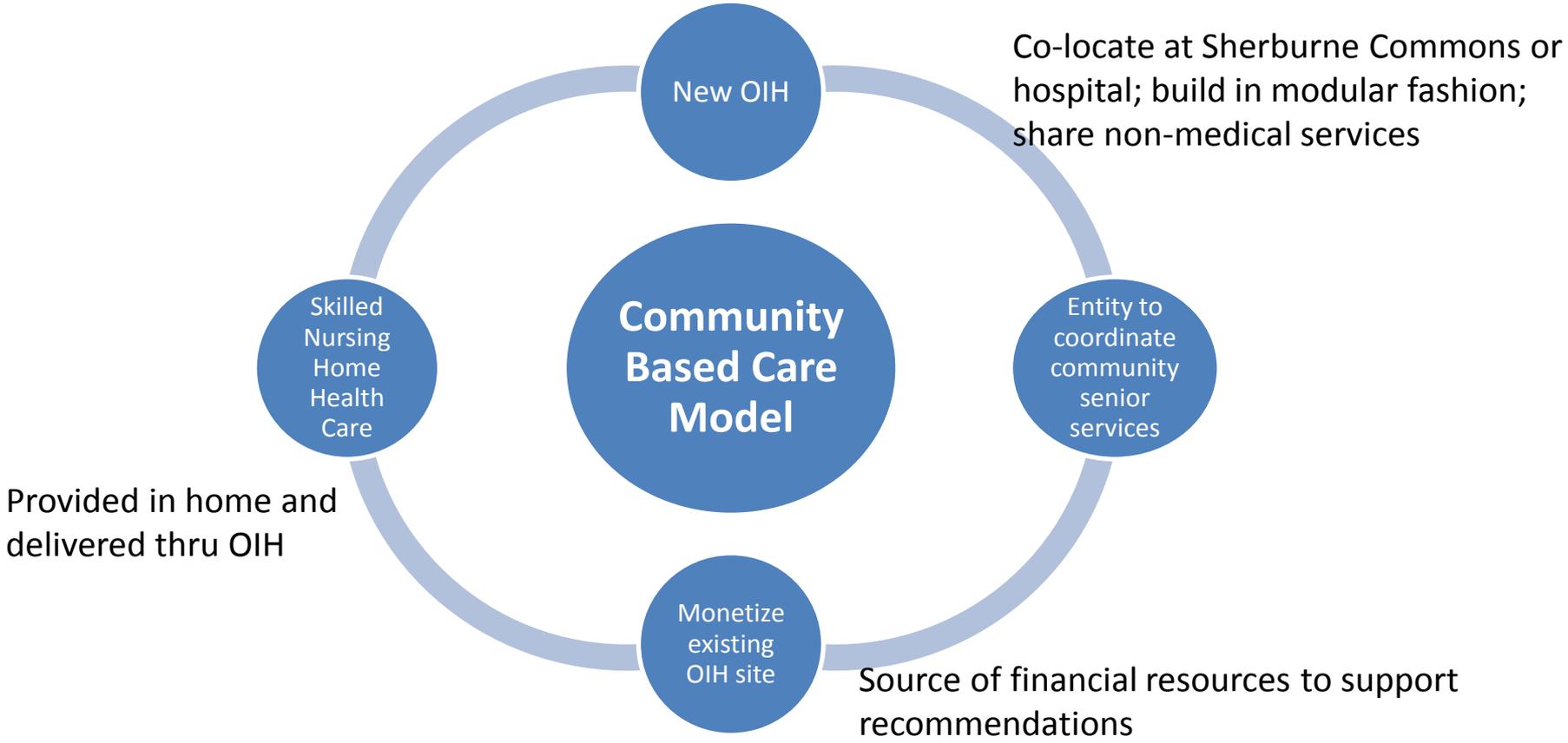


**Shared Services**

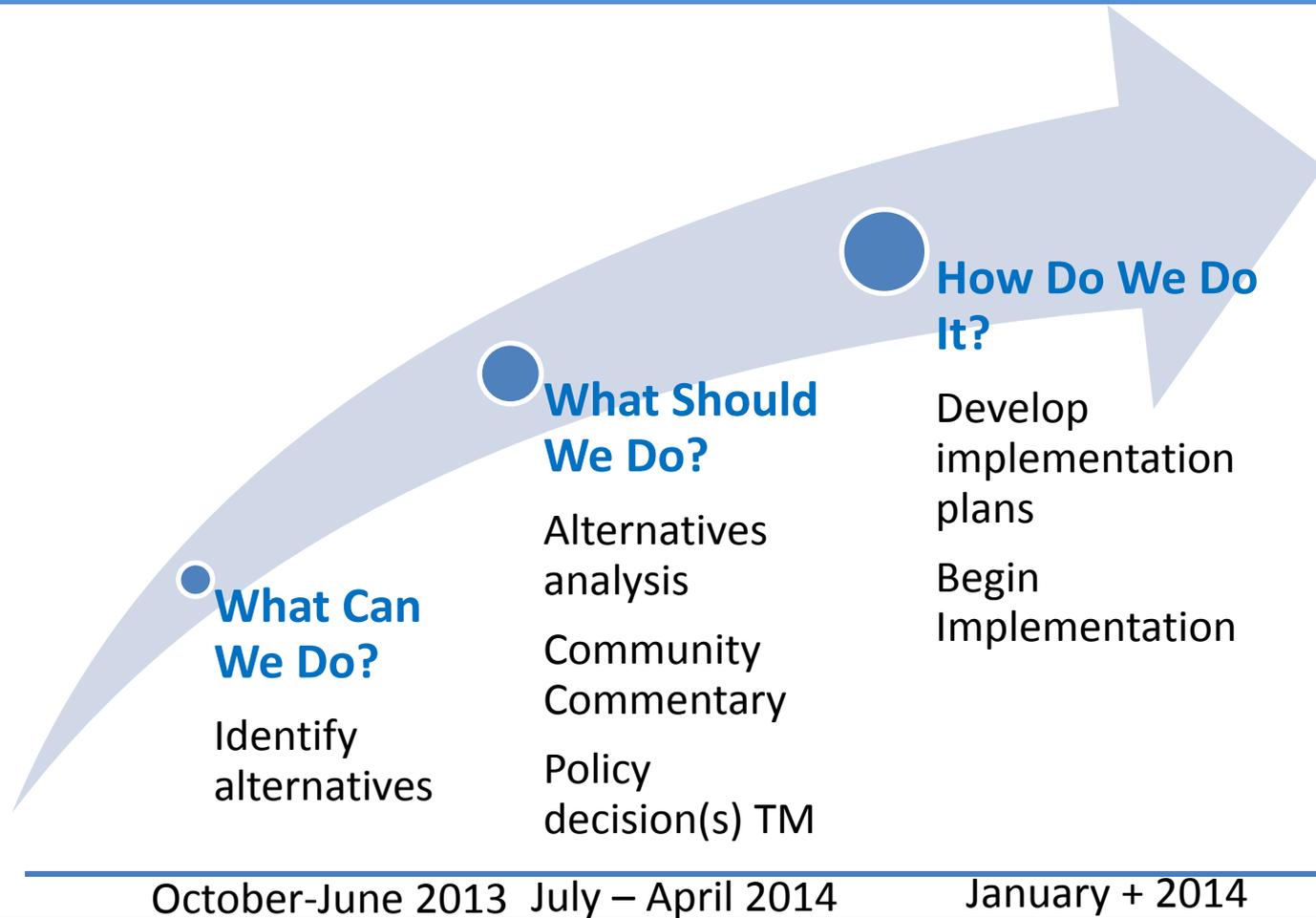
These are core areas in every organization.

These are core areas customized to organization.

*The WG's recommendations call for a shift to a community based care model with a new, modular OIH to meet the institutional needs of the community*



# What's Next? How do we get from here to there?



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